

**COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana**

Annual Financial Statements

**As of and for the Year Ended
December 31, 2012**

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2012

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M. CARLEEN DUMAS
Certified Public Accountant
369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726

Independent Accountant's Review Report

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

I have reviewed the accompanying financial statements of the business-type activities of the Columbia Heights Sewerage District No. 1 (the "District"), a component unit of Caldwell Parish Police Jury, as of and for the year ended December 31, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis on pages 4 through 6, is presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The schedule of compensation paid commissioners, status of prior year findings and current year findings and corrective action plan on pages

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BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS SEWERAGE
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18 through 20, are not a required part of the basic financial statements but are supplementary information required by the Louisiana Governmental Audit Guide. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information, and accordingly, I do not express an opinion or provide any assurance on such supplementary information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated June 3, 2013, on the results of my agreed-upon procedures.

/s Carleen Dumas
Calhoun, Louisiana
June 3, 2013

COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1
Columbia, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

Our discussion and analysis of Columbia Heights Sewerage District No. 1's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2012. Please read it in conjunction with the District's financial statements that begin on page 8.

BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of:

- a. Management's discussion and analysis (MD&A)
- b. Statement of net position
- c. Statement of revenues, expenses, and changes in net position
- d. Statement of cash flows
- e. Notes to the financial statements
- f. RSI other than MD&A, if applicable

The Columbia Heights Sewerage District No. 1 is a special-purpose government engaged only in business-type activities.

Enterprise Fund Financial Statements

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position provide information in a way that shows the change in the District's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and the changes in net position. Net position - the difference between assets (what the District owns) and liabilities (what the District owes) is a way to measure the financial position of the District. Over time, increases or decreases in the District's net position is an indicator of whether the District's financial position is improving or deteriorating.

COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1
Columbia, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

The Statement of Cash Flows provides information on the changes in cash during the year. This statement reports the net cash provided or used by operating activities, capital and related financing activities, and investing activities.

**COMPARATIVE ANALYSIS OF
FINANCIAL DATA**

The District's total net assets increased by \$118,529 during 2012 which is approximately \$8,000 more than the increase in the prior year. Operating revenues remained fairly constant for 2012 and operating expenses increased \$27,497 with most of the increase being in repairs and maintenance expense. The District made major repairs to the sewer system during 2012. Property tax revenue increased \$35,502. The following presents an analysis of net position and changes in net position of the District's business-type activities:

	BUSINESS-TYPE ACTIVITIES	
	<u>2012</u>	<u>2011</u>
Assets		
Current assets	\$623,073	\$476,022
Other assets	753	753
Capital assets, net	<u>194,987</u>	<u>219,839</u>
Total assets	<u>818,813</u>	<u>696,614</u>
Liabilities		
Current liabilities	31,767	28,097
Long-term liabilities	<u>NONE</u>	<u>NONE</u>
Total liabilities	<u>31,767</u>	<u>28,097</u>
Net Position		
Net investment in capital assets	194,987	219,839
Unrestricted	<u>592,059</u>	<u>448,678</u>
Total net position	<u>787,046</u>	<u>668,517</u>
Operating revenues	205,657	205,490
Operating expenses	201,897	174,400
Non-operating revenues (expenses), net	114,769	79,344
Change in net position	118,529	110,434
Net position - beginning	<u>668,517</u>	<u>558,083</u>
Net position - ending	<u>\$787,046</u>	<u>\$668,517</u>

COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1
Columbia, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

OVERALL FINANCIAL POSITION

The District's change in net position was a \$118,529 increase. Unrestricted net assets (those assets available to finance the daily operations of the district) were \$592,059 at year end. The net amount invested in capital assets was \$194,987 at year end.

CAPITAL ASSETS

At the end of the year, the District had capital assets (net of accumulated depreciation) totaling \$194,987. Capital assets include land, construction in progress, the sewerage system, buildings, and equipment costing \$1,000 or more. The District incurred \$2,500 in engineering fees during 2012 in connection with a major sewer improvement project that is expected to begin during 2013. The amount of these engineering fees was recorded as construction in progress. Additional information about the District's capital assets is presented in Note 4 to the financial statements.

ECONOMIC FACTORS

The District anticipates that operating revenues and expenses will remain fairly constant for 2013. The District anticipates making major improvements to its sewer system during 2013. The total cost of these improvements as well as the source of financing has not yet been determined.

BASIC FINANCIAL STATEMENTS

Statement A

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

STATEMENT OF NET POSITION
December 31, 2012

ASSETS

Current assets:

Cash	\$485,168
Investments	119,541
Accounts receivable - sewer fees (net)	<u>18,364</u>
Total current assets	<u>623,073</u>

Noncurrent assets:

Other assets	753
Property, plant and equipment (net of accumulated depreciation)	<u>194,987</u>
Total noncurrent assets	<u>195,740</u>
Total assets	<u>818,813</u>

LIABILITIES

Current liabilities:

Accounts payable	3,861
Payroll taxes payable	1,008
Customer deposits	<u>26,898</u>
Total liabilities	<u>31,767</u>

NET POSITION

Net investment in capital assets	194,987
Unrestricted	<u>592,059</u>
Total net position	<u>\$787,046</u>

See accompanying notes and independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2012

OPERATING REVENUES

Sewer service fees	\$205,166
Tap fees	250
Other operating revenue	241
Total operating revenues	<u>205,657</u>

OPERATING EXPENSES

Commissioners fees	6,000
Accounting	1,325
Repairs and maintenance	52,450
Materials and supplies	6,617
Office expense	3,108
Utilities and telephone	25,098
Insurance	8,171
Salaries and payroll taxes	51,171
Consulting fees	6,000
Collections expense	2,316
Lab tests	3,953
Gasoline	3,103
Depreciation	27,352
Other operating expenses	5,233
Total operating expenses	<u>201,897</u>

OPERATING INCOME

3,760

NON-OPERATING REVENUES

Interest income	957
Property taxes	112,494
State revenue sharing	1,318
Total non-operating revenues	<u>114,769</u>

CHANGE IN NET POSITION

118,529

NET POSITION - BEGINNING

668,517

NET POSITION - ENDING

\$787,046

See accompanying notes and independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$203,915
Customer deposit receipts, net	880
Payments to suppliers	(119,046)
Payments to employees and board members	(52,709)
Net cash provided by operating activities	<u>33,040</u>

CASH FLOWS FROM CAPITAL**FINANCING ACTIVITIES**

Construction of capital assets	<u>(2,500)</u>
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CASH FLOWS FROM NON-CAPITAL**FINANCING ACTIVITIES**

Property tax receipts	112,494
State revenue sharing receipts	1,318
Net cash provided by non-capital financing activities	<u>113,812</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	957
Increase in investments	(949)
Net cash provided by investing activities	<u>8</u>

NET INCREASE IN CASH**CASH AT BEGINNING OF YEAR****CASH AT END OF YEAR**

144,360
<u>340,808</u>
<u>\$485,168</u>

Reconciliation of Operating Income to Net Cash**Provided by Operating Activities**

Operating Income	<u>\$3,760</u>
Adjustments:	
Depreciation	27,352
Increase in accounts receivable	(1,742)
Increase in accounts payable	2,769
Increase in payroll taxes payable	21
Increase in customer deposits	880
Total adjustments	<u>29,280</u>
Net cash provided by operating activities	<u>\$33,040</u>

See accompanying notes and independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2012

INTRODUCTION

Columbia Heights Sewerage District No. 1 was created by the Caldwell Parish Police Jury as authorized by Louisiana Revised Statute 33:3881. The district is governed by a five member board appointed by the police jury. Columbia Heights Sewerage District No. 1 commissioners receive \$100 per meeting attended. The district is responsible for maintaining and operating a sewerage collection and disposal system with the boundaries of the district and has four part-time employees.

GASB Statement No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14* established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these statements, the Columbia Heights Sewerage District No. 1 is considered a component unit of the Caldwell Parish Police Jury. As a component unit, the accompanying financial statements may be included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Statements

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of :

1. Management's discussion and analysis (MD&A)
2. Statement of net position
3. Statement of revenues, expenses, and changes in net position
4. Statement of cash flows
5. Notes to the financial statements
6. RSI other than MD&A, if applicable

The Columbia Heights Sewerage District No. 1 is a special-purpose government engaged only in business-type activities.

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Notes to the Financial Statements

**B. Measurement Focus, Basis of Accounting, and
Financial Statement Presentation**

Enterprise fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenues of the Columbia Heights Sewerage District No. 1 are sewer service fees and tap fees. Operating expenses for enterprise funds include the costs of the services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Deposits and Investments

Cash includes amounts in non-interest bearing demand deposits. State law limits the district's credit risk by restricting the district's investments to collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 2012, the district's investment consists of nonnegotiable certificates of deposit with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost. The district's interest rate risk is limited by the investment of funds for periods not to exceed 24 months.

D. Receivables

Accounts receivable consist of amounts due from customers for sewer service provided prior to year end. Receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The district is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole. Unpaid accounts are written off as bad debts when considered uncollectible by management.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. For the year ended December 31, 2012, taxes of 4.49 mills were levied on property with assessed valuations totaling approximately \$26,501,997, for maintenance and operation of the sewerage district.

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Notes to the Financial Statements

E. Capital Assets

Capital assets, which include land, construction in progress, the sewerage system, buildings, and equipment are reported in the enterprise fund financial statements. All of the district's capital assets are capitalized at historical cost. The Columbia Heights Sewerage District No. 1 maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets, if any, is included as part of the capitalized value of the assets constructed.

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure - Sewerage system	25 years
Buildings	25 years
Equipment	5- 10 years

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2012, the district has cash and investments (book balances) as follows:

Non-interest bearing checking accounts	\$485,168
Investments - certificates of deposit	<u>119,541</u>
Total	<u><u>\$604,709</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Notes to the Financial Statements

at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2012, the Columbia Heights Sewerage District No. 1 has \$610,927 in deposits (collected bank balances). These deposits are secured from risk by \$610,927 of federal deposit insurance and \$376,219 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent bank has failed to pay deposited funds upon demand.

3. ACCOUNTS RECEIVABLE

At December 31, 2012, the district has net receivables of \$18,364 as follows:

Sewer service fees	\$18,364
Allowance for uncollectible accounts	<u>NONE</u>
Net receivables	<u>\$18,364</u>

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2012, is as follows:

	Balance at January 1, 2012	Increases	Decreases	Balance at December 31, 2012
Capital assets not being depreciated:				
Land	\$35,517	NONE	NONE	\$35,517
Construction in progress	<u>NONE</u>	<u>\$2,500</u>		<u>2,500</u>
Total capital assets not being depreciated	<u>35,517</u>	<u>2,500</u>	<u>NONE</u>	<u>38,017</u>
Capital assets being depreciated:				
Sewerage system	2,029,704			2,029,704
Buildings	23,160			23,160
Equipment	<u>80,703</u>			<u>80,703</u>
Total capital assets being depreciated	<u>2,133,567</u>	<u>NONE</u>	<u>NONE</u>	<u>2,133,567</u>

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Notes to the Financial Statements

	Balance at January 1, 2012	Increases	Decreases	Balance at December 31, 2012
Less accumulated depreciation for:				
Sewerage system	\$1,865,593	\$20,414		\$1,886,007
Buildings	21,626	70		21,696
Equipment	62,026	6,868		68,894
Total accumulated depreciation	1,949,245	27,352	NONE	1,976,597
Total assets being depreciated, net	184,322	(27,352)	NONE	156,970
Total assets	<u>\$219,839</u>	<u>(\$24,852)</u>	<u>NONE</u>	<u>\$194,987</u>

The amount recorded as construction in progress was \$2,500 in engineering fees that were incurred during 2012 in connection with a major sewer improvement project that is expected to begin during 2013. Depreciation expense of \$27,352 for the year ended December 31, 2012 was reported in the statement of revenues, expenses, and changes in net position.

5. RISK MANAGEMENT

The district purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

6. SUBSEQUENT EVENTS

Management of the district has evaluated subsequent events through June 3, 2013, the date which the financial statements were available to be issued.

See independent accountant's review report.

SUPPLEMENTAL INFORMATION SCHEDULES

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended December 31, 2012

COMPENSATION PAID COMMISSIONERS

The schedule of compensation paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Columbia Heights Sewerage District No. 1 commissioners receive \$100 per meeting attended.

STATUS OF PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in Schedule 2.

**CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN**

The corrective action plan for current year findings is presented in Schedule 3.

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

SCHEDULE OF COMPENSATION PAID COMMISSIONERS
For the Year Ended December 31, 2012

Monty Adams	\$1,300
Jackie Barrett	100
Tommy Basco	1,300
Louis Champagne	800
Marshall Davis, Jr.	1,200
Eddie Hearn	<u>1,300</u>
Total	<u>\$6,000</u>

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

STATUS OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2012

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Planned Corrective Action
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There were no prior year findings.

See independent accountant's review report.

COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2012

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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There were no current year findings.

See independent accountant's review report.

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. CARLEEN DUMAS
Certified Public Accountant
369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726

Independent Accountant's Report
On Applying Agreed-Upon Procedures

BOARD OF COMMISSIONERS
COLUMBIA HEIGHTS SEWERAGE
DISTRICT NO.1
Columbia, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Columbia Heights Sewerage District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2012 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

A review was made of all disbursements for the year. There were no disbursements for materials and supplies exceeding \$30,000 nor were there any disbursements for public works exceeding \$150,000 made during the year.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

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Member of the Society of Louisiana of Certified Public Accountants

Columbia Heights Sewerage District No. 1
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2012

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

One of the employees included on the list of employees provided by management in agreed-upon procedure (3) was also included on the listing obtained from management in agreed-upon procedure (2) as an immediate family member. However, the employee was hired by the district prior to 1980. Two of the four employees included on the list of employees provided by management in agreed-upon procedure (3) are immediate family members of another employee. However, none of the employees are considered an agency head.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

The district is not legally required to adopt a budget.

6. Trace the budget adoption and amendments to the minute book.

See procedure 5.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

See procedure 5.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and;
 - (a) trace payments to supporting documentation as to correct amount and payee;
 - (b) determine if payments were properly coded to the correct fund and general ledger account;
 - (c) determine whether payments received approval from proper authorities.

Columbia Heights Sewerage District No. 1
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2012

An examination of six randomly selected disbursements disclosed the following:

- (a) The six selected disbursements were supported by adequate documentation.
- (b) The six selected payments were properly coded to the correct fund and general ledger account.
- (c) The six selected payments received approval from the proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:19 (the opening meetings law).

The public notices for meetings were posted as required by LSA-RS 42:19.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I examined all deposits for the period under examination and noted no proceeds that appeared to be from bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the board meetings and an examination of payroll records disclosed no payments to employees which may constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

There were no findings in the prior year report.

Columbia Heights Sewerage District No. 1
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2012

I was not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Columbia Heights Sewerage District No. 1 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

/s Carleen Dumas
Calhoun, Louisiana
June 3, 2013

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the *Louisiana Governmental Audit Guide*.

M. Carleen Dumas, CPA
369 Donaldson Road
Calhoun, LA 71225

Mrs. Dumas,

In connection with your review of our financial statements as of December 31, 2012 and for the year then ended, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on information available to us as of _____.

PUBLIC BID LAW

1. It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [X] No [] N/A []

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42:1101-1124.

Yes [X] No [] N/A []

3. It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980 under circumstances which would constitute a violation of LSA-RS 42:1119.

Yes [X] No [] N/A []

BUDGETING

4. We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [X] No [] N/A []

ACCOUNTING AND REPORTING

5. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [X] No [] N/A []

6. We have filed our annual financial statements in accordance with LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable.

Yes [X] No [] N/A []

7. We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [X] No [] N/A []

MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes [X] No [] N/A []

DEBT

9. It is true that we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60 - 1410.65.

Yes [X] No [] N/A []

ADVANCES AND BONUSES

10. It is true that we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [X] No [] N/A []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u>/s M.E. Davis</u>	<u>2/11/13</u>
Name	Date